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Counsel for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
USA COMMERCIAL MORTGAGE COMPANY,  
  
Debtor.

In re:  
USA CAPITAL REALTY ADVISORS, LLC,  
  
Debtor.

In re:  
USA CAPITAL DIVERSIFIED TRUST DEED FUND,  
LLC,  
  
Debtor.

In re:  
USA CAPITAL FIRST TRUST DEED FUND, LLC,  
  
Debtor.

In re:  
USA SECURITIES, LLC,  
  
Debtor.

Affects:  
☐ All Debtors  
☒ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

USACM LIQUIDATING TRUST,  
  
Plaintiff,

v.

EAGLE RANCH, LLC, EAGLE RANCH  
RESIDENTIAL, LLC, WILLOWBROOK, LLC,  
RAVENSWOOD APPLEY VALLEY, LLC,  
BRENTWOOD 128, LLC, ANTHONY MONACO,  
SUSAN MONACO, AND MONACO DIVERSIFIED  
CORPORATION et al.  
  
Defendants.

Case Nos.:  
BK-S-06-10725-LBR  
BK-S-06-10726-LBR  
BK-S-06-10727-LBR  
BK-S-06-10728-LBR  
BK-S-06-10729-LBR

JOINTLY ADMINISTERED  
Chapter 11 Cases

Judge Linda B. Riegle

**Adversary No. 08-01125-lbr**

**NOTICE OF HEARING ON  
APPLICATION TO  
COMPROMISE AND SETTLE  
CONTROVERSIES WITH  
ANTHONY MONACO, SUSAN  
K. MONACO, AND MONACO  
DIVERSIFIED CORPORATION**

Hearing Date: June 15, 2010

Hearing Time: 9:30 a.m.

**NOTICE IS HEREBY GIVEN** that an Application to Compromise and Settle Controversies with Anthony Monaco, Susan K. Monaco, and Monaco Diversified Corporation (the “Application to Compromise”) was filed on May 21, 2010, by the USACM Liquidating Trust. The Application to Compromise seeks entry of an order approving the proposed settlement between the USACM Liquidating Trust (the “USACM Trust”), Anthony Monaco, Susan K. Monaco, and Monaco Diversified Corporation (the “Monaco Defendants”).

Following extensive arms-length negotiations the USACM Trust and the Monaco Defendants reached a tentative agreement to resolve the Pending Litigation subject to execution of a mutually-agreeable settlement agreement to be approved by the Bankruptcy Court. The material terms of the Proposed Settlement are summarized as follows<sup>1</sup>:

1. Anthony Monaco, Susan Monaco and MDC, jointly and severally, unconditionally agree to a judgment against all the Defendants in the amount of Five Million Five Hundred Thousand Dollars (\$5,500,000) in accordance with the terms and conditions contained herein.
2. The Defendants shall deliver to the USACM Trust a fully executed Agreed Judgment in the amount of Five Million Five Hundred Thousand Dollars (\$5,500,000) (the “Agreed Judgment”).
3. Defendants expressly authorize the USACM Trust to file the Agreed Judgment with the Bankruptcy Court or any other court of competent jurisdiction to consider such matters, and upon the Bankruptcy Court’s approval of the terms of this Settlement Agreement, Defendants agree to take any and all necessary steps to enter the judgment in the United States District Court, District of Nevada in the matter Case No. 2:09-CV-01947-RCJ-PAL currently before Judge Jones (the “District Court”).
4. The Parties will enter the judgment upon the Bankruptcy Court’s granting, orally and/or in a written order, whichever comes first, the Rule 9019 Motion approving this Agreement.
5. Subject to and upon entry of the Agreed Judgment as set forth in this Agreement, and in no event before the entry of the Agreed Judgment, the Plaintiff fully

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<sup>1</sup> The following is solely a summary of the terms of the Proposed Settlement, and in no way is intended as an amendment, modification, or supplementation of the Proposed Settlement terms. The terms of the written settlement agreement between the Parties shall prevail in the event of any conflict with this summary.

1 releases and discharges the Monaco Released Parties from any and all liability  
2 with respect to the USACM Trust Released Claims.

- 3 6. Upon entry of the Agreed Judgment as set forth in this Agreement, the  
4 Defendants, on behalf of themselves and the Monaco Released Parties, fully  
5 release and discharge the USACM Trust Released Parties from any and all  
6 liability with respect to the Monaco Released Claims.

7 **NOTICE IS FURTHER GIVEN** that if you do not want the court to grant the relief  
8 sought in the Motion, or if you want the court to consider your views on the Motion, then you  
9 must file an opposition with the court, and serve a copy on the person making the Motion ***no***  
10 ***later than 14*** days preceding the hearing date for the Application to Compromise, unless an  
11 exception applies (see Local Rule 9014(d)(3)). The opposition must state your position, set forth  
12 all relevant facts and legal authority, and be supported by affidavits or declarations that conform  
13 to Local Rule 9014(c).

14 If you object to the relief requested in the Motion, you ***must*** file a **WRITTEN** response  
15 to the Motion with the Court. You ***must*** also serve your written response on the person who sent  
16 you this notice.

17 If you do not file a written response with the Court, or if you do not serve your written  
18 response on the person who sent you this notice, then:

- 19 • The Court may *refuse to allow you to speak* at the scheduled hearing; and
- 20 • The Court may *rule against you* without formally calling the matter at the hearing.

21 **NOTICE IS FURTHER GIVEN** that the hearing on the said Motion will be held before  
22 the Honorable Linda B. Riegler, United States Bankruptcy Judge, in the Foley Federal Building,  
23 300 Las Vegas Boulevard South, Third Floor, Bankruptcy Courtroom No. 1, Las Vegas, Nevada  
24 89101 on **Tuesday, June 15, 2010, at 9:30 a.m.**

1 Dated: May 21, 2010

2 **DIAMOND MCCARTHY LLP**

3 **LEWIS AND ROCA LLP**

4 By: /s/ Michael J. Yoder

5 By: /s/ Rob Charles

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*Counsel for USACM Liquidating Trust*

13 *Special Litigation Counsel for*

14 *USACM Liquidating Trust*

**CERTIFICATE OF SERVICE**

I hereby certify that I am an employee of the law firm of DIAMOND MCCARTHY LLP and that on the 21<sup>st</sup> day of May 2010, I served a true and correct copy of the NOTICE OF HEARING (a) by electronic transmission to (i) all parties on the USACM Post-Effective Date Service List Dated March 31, 2009 and (ii) counsel for the Monaco Defendant, Harold Gewerter at [Harold@gewerterlaw.com](mailto:Harold@gewerterlaw.com)

/s/ Catherine A. Burrow  
Catherine A. Burrow, CLA  
Legal Assistant